



November 12, 2018

Chairman Ajit Pai  
Federal Communications Commission  
445 12th Street, SW  
Washington, District of Columbia 20554

*Re: Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992, MB Docket No. 05-311*

Dear Chairman Pai:

I am writing to express my opposition to the Second Further Notice of Proposed Rulemaking for MB Docket No. 05-311. I've been the executive director of WestfordCAT, a suburban Massachusetts public access station, since 2010. We serve 24,000 residents with our local government meeting coverage, our original daily content and our adult and youth programs.

Starting with a staff of one full time and one part time person, telecasting approximately 50 local government meetings a year and a handful of studio shows, we now have a staff of five full-time and one part-time professionals. Last year we covered and archived 130 local government meetings and added almost 1,200 new programs to our three channels. Adequate and predictable funding allows us to put 100 percent of our focus on programming and services.

I manage a very lean budget, with payroll costs accounting for 72 percent of our expenses, another 12 percent for rent and utilities, leaving 16 percent for all other operating expenses. Having tracked our funding each year, I have been able to accurately predict our annual income and plan our growth in services accordingly.

2018 is the first year that our annual funding from cable service providers declined. Comcast's **unannounced changes to its accounting methods** for their bundled "Triple Play" packages reduced our total funding by 5 percent. Coupling this change with the impact of residents moving off cable and onto streaming devices, WestfordCAT, along with public access stations across the country, are facing continuing declines in our funding from franchise fees. And, now, this FCC proposed policy change in our franchise fees that would deduct "in-kind contributions" that were negotiated into local licensing contracts outside the franchise fees, threatens to reduce our funding even more.

In a statement by Commissioner Michael O'Rielly (FCC 18-131) he expresses concerns that local towns (noted as Local Franchising Authorities) currently have no limitations to adding in-kind contributions to licensing agreements that "make a mockery of the law" and violate their legal authority, indirectly harming the ability of cable service providers to deploy and offer service. **However, limitations to "in-kind contributions" clearly do occur – during the licensing agreement process – in order to reach agreement and complete the negotiations.** The FCC should not step in



and negate the terms of locally negotiated contracts between towns and cable service providers, that clearly state franchise fees are only to be used to operate PEG stations.

In our town, as is the case in most towns, cable companies pass through their franchise fees to our residents, as a “Franchise Fee” line item charge on their monthly bills. So it’s really the customers that pay for the PEG channels, leaving the cable service providers “un-harmed” in the process. And when you review the pages of public comments to this proceeding, it’s these customers that are filing most of the comments on this ruling, in favor of maintaining the current franchise fee funding arrangements.

I hope all the cable service providers take the time to read these comments and learn more about who their PEG viewing customers are, why they watch and what is important to them. Many commenters provide ample examples of how PEG programming has helped them, both personally and professionally.

In my opinion, it would be smarter for cable service providers to embrace and support local PEG stations because of our direct connection to their customers. Many PEG stations around the country are not only providing content on the PEG channels but are also training residents on video production technology and emerging STEAM technologies like 360 video and VR/AR/XR. These technologies expand the use of their non-cable related (broadband) services, even though our franchise fees are not counted for these services. A quick visit to our [WestfordCAT Facebook page](#) and a look at our photo albums will show how many people take advantage of this new service.

I understand that all access stations provide varying levels of service and community involvement. Treating every station the same, with a blanket ruling that would effectively dissolve the majority of the PEG stations around the country, is the wrong approach and a disservice to local media consumers. Cable service providers would be better off taking the time to measure the value and community involvement of each station, and providing the appropriate support accordingly before they lose the best local connection they have with their customers.

Please reconsider your efforts to sacrifice PEG station funding in an attempt to protect established cable service providers as they get ready to compete with new market entrants like Amazon and Google into the 5G wireless services market. This is especially important in instances like Westford’s, where cable service providers don’t actually fund the franchise fees, but pass them onto their customers. In our case, cable service providers have little to gain if this new ruling passes while our local town and residents clearly will have the most to lose.

Sincerely,

Lauren Horton  
Executive Director